STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

CASE 13-E-0199 - In the Matter of Electric Vehicle Policies.

NEW YORK POWER AUTHORITY COMMENTS

To: Honorable Jeffrey C. Cohen
Acting Secretary

I. INTRODUCTION

The New York Power Authority (NYPA) supports the Governor's Charge NY initiative to create a statewide network of up to 3,000 public and workplace charging stations over the next five years. These charging stations will support the 40,000 plug-in vehicles projected to be on the roads by 2018. By providing a regulatory framework that supports these goals, the New York State Public Service Commission (PSC) can play a key role in both meeting the Governor's targets and implementing vehicle charging policies that can potentially reduce ratepayer impact.

II. COMMENTS

It is NYPA's opinion that public and workplace charging stations should not be regulated by the PSC. This will allow the host sites of these systems the flexibility to experiment with a variety of end-user pricing models to find the best fit for all parties. Pricing based on the actual energy consumed by the end-user should be an option that host sites can offer without the possibility of being regulated as an electric utility.

In the residential market, it is our opinion that incentive rates promoting the use of electric vehicle chargers in off-peak periods will be key to both consumer adoption of these vehicles, as well as ratepayer protection. By offering discounted rates for vehicle charging, the economic payback for electric vehicle ownership will be more attractive to the consumer. By incentivizing off-peak charging, utilities can better manage the impact that electric vehicle charging will have on their distribution grids. This will allow them to accommodate the additional load with minimal equipment upgrades. In addition, vehicle charging in off-peak periods could suppress the cost of electricity on the wholesale markets by increasing the capacity utilization of generators. However, the lack of an off-peak incentive rate could have the opposite effect by increasing demand for electricity during peak periods. In order to provide off-peak incentive rates and isolate them to electric vehicle charging loads, the charging station should be sub-metered. The PSC should encourage the electric utilities to develop such rates and to define the technical standards regarding such sub-metering equipment.

NYPA advances the position that electric vehicles have the near-term capacity to be a load that is controllable by the electric utility. The PSC should encourage electric utilities to engage in research and technology demonstration programs to develop smart electric vehicle chargers that can respond to grid conditions. For example, in the event of a brown-out, the electric vehicle loads could be selectively shed off these areas of the distribution system. Once grid stability is restored, these loads would intelligently be picked up again. Since vehicle charging is a multiple-hour event, it is possible that such load shedding could be done for short periods of time without inconveniencing the end-users. End-user participation in a vehicle charging program should be voluntary, although it should be a requirement for a discounted electric rate. Intelligent management of vehicle charging load will allow utilities to service larger numbers of

electric vehicles with their existing distribution equipment, providing a long-term ratepayer benefit.

Regarding the possible ownership of charging stations by regulated electric utilities, it is our opinion that PSC oversight should be required. As an asset of a regulated utility, the charging station would become part of the calculation of the utility's monetary return on assets. But it is unclear if this calculation would account for the value of the revenue the utility would collect from end-users of the charging stations. In order to maximize public benefit and minimize ratepayer impact, it is essential that the charging stations be located in areas that would experience a high level of use.

In the Governor's 2013 State of the State Address, a total of $30 million was proposed in spending by the investor-owned utilities on preparing New York State for the adoption of electric vehicles. It is our opinion that the best use for these funds would be the introduction and subsidization of smart sub-metering equipment to allow for discounted electric rates and intelligent load control. Given the ample tax credits available, both on a federal and state level, for both the vehicles and the charging stations, we do not believe that rebates from the utilities to the end-users would be required to stimulate the market. Smart sub-metering would have a more beneficial effect on both the New York State electric vehicle market and on ratepayers in general.

Respectfully submitted,

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